

# Disciplinary and Other FINRA Actions

## Firm Expelled, Individuals Sanctioned

Texas E&P Partners, Inc. fka Chestnut Exploration Partners, Inc. ([CRD® #127228](#), Richardson, Texas) and Mark Allan Plummer ([CRD #4608699](#), Richardson, Texas). The firm was expelled from FINRA® membership. Plummer was barred from association with any FINRA member in any capacity and ordered to pay \$ 513,961, plus interest, in restitution to customers. The sanctions were based on findings that Plummer misused customer funds by misusing the portion of a completion assessment (certain assessments that were levied on investors for prospective oil and gas well investments) attributable to a prospective well. The findings stated that Plummer collected funds for one purpose—well completion—following a vote by investors and did not use that portion of the funds pertaining to a prospective well for that purpose. Plummer never received permission to use that portion of the assessed funds for other purposes and to date has not repaid those funds to investors (except for settlement payments made to three investors). The findings also stated that the firm had insufficient written supervisory procedures (WSPs). The firm’s business involved acting as a placement agent in connection with investment offerings involving its affiliates, and its supervisory system failed to address conflicts of interest in such offerings.

The findings also included that the firm produced an altered document regarding prospective oil and gas investments to FINRA during its investigation. Plummer intentionally altered the document prior to providing it to FINRA. The firm’s chief compliance officer (CCO) had witnessed the alteration and nevertheless produced the document to FINRA without disclosing its falsity. Plummer acted unethically or in bad faith by falsifying, and thereby rendering misleading, the document that he knew the firm was going to provide to FINRA in connection with its investigation. Plummer also gave false and misleading testimony concerning the document at his FINRA on-the-record interview, and did so intentionally or, at a minimum, recklessly. The Hearing Panel determined that FINRA failed to prove that the firm and Plummer engaged in fraud and made misrepresentations and omissions in connection with the sale of joint venture interests, or that the firm improperly collected or misused customer funds or otherwise acted unethically. Accordingly, those charges were dismissed. ([FINRA Case #2014040501801](#))

## Reported for March 2017

FINRA has taken disciplinary actions against the following firms and individuals for violations of FINRA rules; federal securities laws, rules and regulations; and the rules of the Municipal Securities Rulemaking Board (MSRB).

## Firms Fined, Individuals Sanctioned

Cadaret, Grant & Co., Inc. ([CRD #10641](#), Syracuse, New York) and Charles Lee Deremo ([CRD #713036](#), Apple Valley, Minnesota) submitted a Letter of Acceptance, Waiver and Consent (AWC) in which the firm was censured and fined \$10,000. Deremo was fined of \$5,000, suspended from association with any FINRA member in any capacity for 10 business days and ordered to pay \$4,917.96, plus interest, in partial restitution to a customer. Without admitting or denying the findings, the firm and Deremo consented to the sanctions and to the entry of findings that the firm failed to enforce its WSPs and conduct an adequate suitability review of Deremo's recommended investment strategy for a customer. The findings stated that the firm failed to identify that Deremo's basis for the recommendation of a strategy for the customer may not have been suitable given the customer's age, his investment objectives, his risk tolerance and the concentration of his investment. Moreover, the customer relied on monthly withdrawals from his variable annuity for living expenses.

The findings also stated that Deremo employed a recommended strategy for a customer, which was unsuitable for the customer given his investment objective, risk tolerance, income needs and age. Deremo recommended that the customer exchange his existing variable annuity for a new variable annuity issued by another entity so that Deremo could execute a strategy wherein he would, at his discretion, move the full account balance between a precious metals fund subaccount (Precious Metals Fund) and a money market subaccount based on market factors monitored by Deremo. Specifically, Deremo planned to move the customer's funds back and forth between the two subaccounts based on his monitoring of certain factors in the precious metals market, the most significant factor being the price of gold (the Precious Metals Strategy). At the time the customer exchanged variable annuities, the customer was 79 years old and his investment objectives were growth and income. Deremo marked the customer's risk tolerance between moderate and high on the customer's new account form. The findings also included that Deremo moved the customer's variable annuity funds between the subaccounts approximately once every other month. The customer's investment in the Precious Metals Strategy represented nearly half of the customer's disclosed net worth of \$268,000. The Precious Metals Strategy was not suitable because the activity involved a high percentage of the customer's net worth, and all of the customer's investible assets with Deremo were traded using this strategy,

The suspension was in effect from January 17, 2017, through January 30, 2017. ([FINRA Case #2013038424401](#))

## Firms Fined

**Ameritas Investment Corp. ([CRD #14869](#), Lincoln, Nebraska)** submitted an AWC in which the firm was censured and fined \$145,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that for more than two years, it did not adequately supervise recommendations to liquidate securities in order to purchase equity-indexed annuities (EIAs), nor did it record the resulting transactions. The findings stated that instead, the firm, without adequate supervision, mistakenly treated those recommendations and transactions as outside business activities. As of October 1, 2013, the firm began treating sales of EIAs as outside business activities, based on the firm's understanding of the Dodd-Frank Act. Under its new policy, the firm required its registered representatives to notify the firm if they were selling EIAs as an outside business activity, but the firm did not adequately supervise or record those EIA sales when they resulted from a recommendation to liquidate a security in order to fund the sale. As a result, the firm also failed to evaluate whether its registered persons' sales of EIAs for compensation should be treated as outside securities activities. The firm's registered representatives received compensation in connection with recommending the liquidation of securities in order to purchase EIAs. In mid-2016, the firm resumed supervising and recording the sales of EIAs. From October 1, 2013, to mid-2016, the firm did not supervise recommendations to liquidate a security in order to purchase an EIA. The firm received notice that some of its registered representatives were selling EIAs as an outside business activity for compensation; however, the firm did not determine whether those activities constituted outside securities activities. In addition, the firm did not review or endorse in writing transactions resulting from recommendations to liquidate a security in order to purchase EIAs. ([FINRA Case #2015046904101](#))

**Cantor Fitzgerald & Co. ([CRD #134](#), New York, New York)** submitted an AWC in which the firm was censured and fined \$65,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it established a new secondary order management system (OMS) for executing certain order flow from other broker-dealers. The findings stated that upon receipt of such orders, the secondary OMS would determine whether to internalize all or part of the order as principal, with the balance being executed on a riskless principal basis with unrelated counterparties via the firm's general OMS. This secondary OMS failed to have the correct instructions and capacity code to allow the firm's general OMS to identify it as a riskless principal transaction. Thus, the firm's general OMS processed the order as agency. As a result, the firm inaccurately reported over one million non-media reports with a capacity code of agent rather than riskless principal to the FINRA/Nasdaq Trade Reporting Facility (FNTRF). The findings also stated that the firm failed to provide for supervision reasonably designed to achieve compliance with respect to the FINRA rules concerning reports to the FNTRF to ensure accurate capacity codes. ([FINRA Case #2014041570001](#))

**Citadel Securities LLC** ([CRD #116797](#), Chicago, Illinois) submitted an AWC in which the firm was censured and fined \$325,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to transmit Reportable Order Events (ROEs) to the Order Audit Trail System (OATS™) on business days for one Market Participant identifier (MPID), which resulted from the firm's failure to report interfirm route reports to OATS for orders routed to the firm's internal Alternative Trading System. The findings stated that the firm failed to transmit ROEs to OATS on business days for a separate MPID, which resulted from the firm not reporting Immediate or Cancel orders to OATS for orders that were routed to an exchange, and for which the firm did not receive rejection notifications. The findings also stated that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and FINRA rules, concerning OATS. Specifically, the firm failed to compare the accepted OATS data to the firm's books and records to ensure all ROEs were submitted. ([FINRA Case #2014042469001](#))

**Citizens Securities, Inc.** ([CRD #39550](#), Dedham, Massachusetts) submitted an AWC in which the firm was censured and fined \$300,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to timely disclose customer complaints and settlements on its associated persons' Uniform Applications for Securities Industry Registration or Transfer (Forms U4) and Uniform Termination Notices for Securities Industry Registration (Forms U5). The findings stated that in addition, individuals associated with the firm reported disclosable events such as outside business activities or bankruptcies on their annual compliance questionnaires, yet the firm did not timely amend the individuals' Forms U4. The findings also stated that the firm failed to implement an adequate supervisory system to ensure that the firm reported customer complaints and settlements on associated persons' Forms U4 and U5. The individuals at the firm who were responsible for reviewing customer complaints lacked sufficient training about the criteria that required the firm to report customer complaints on associated persons' Forms U4 and U5, and the deadlines for doing so. In addition, the firm failed to ensure that associated persons' annual compliance questionnaire responses were timely reviewed. ([FINRA Case #2016047706701](#))

**Credit Suisse Securities (USA) LLC** ([CRD #816](#), New York, New York) submitted an AWC in which the firm was censured, fined \$487,500, and required to revise its supervisory system, including, but not limited to, its WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it transmitted reports to OATS that contained inaccurate, incomplete or improperly formatted data. The findings stated that the firm failed to report the correct symbol indicating whether the transaction was a buy, sell or sell short for 5,632 transactions to the FNTRF. The findings also stated that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to certain applicable securities laws and regulations, and FINRA rules, concerning OATS reporting. ([FINRA Case #2014039938101](#))

**CUSO Financial Services, L.P.** ([CRD #42132](#), San Diego, California) submitted an AWC in which the firm was censured, fined \$125,000 and ordered to pay \$47,510, which includes interest, in restitution to customers. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that a registered representative unsuitably solicited and sold to customers certain unit investment trusts (UITs) that invested in closed-end mutual funds that employed leverage. The findings stated that the firm, through the registered representative and the two principals who supervised him and approved his UIT transactions, failed to have a reasonable basis to recommend and approve UIT transactions sold to customers. Neither the registered representative nor the principals who approved the UIT transactions understood the potential risks of the UITs and, in particular, neither understood that the UITs might employ leverage. The firm, through the registered representative and principals, sold these UITs to customers, including some seniors, in transactions totaling \$4,636,146. The customers lost approximately \$443,000 on the UITs that the registered representative sold without a reasonable basis. Some of these customers indicated that they had low risk tolerances, which should have raised questions about the suitability of the UITs for them. The firm voluntarily provided restitution totaling approximately \$325,000 to many of the customers who indicated that they had low or medium risk tolerances.

The findings also stated that these unsuitable UIT recommendations occurred, in part, because of the firm's lack of reasonable supervision. The firm's supervisory system was not reasonably designed to ensure that the firm's solicitations and sales of these UITs were suitable for customers. The firm's WSPs directed certain principals to review the UIT transactions to determine whether the recommended transactions are suitable. However, the firm's WSPs failed to give concrete guidance to assist its brokers and principals in assessing the suitability of UITs that invest in closed-end funds and that might use leverage. The firm failed to reasonably enforce its WSPs regarding suitability reviews and approval of UIT trades. The firm's WSPs directed registered representatives to review prospectuses in order to clearly understand the UITs' characteristics, including the use of leverage. However, one of the principals did not review the UIT prospectuses or other documents that highlighted the risks and rewards associated with these products, but he nonetheless reviewed and approved the registered representative's recommendation and sale of UITs to firm customers. ([FINRA Case #2013039239102](#))

**CV Brokerage, Inc.** ([CRD #462](#), West Conshohocken, Pennsylvania) submitted an AWC in which the firm was censured and fined \$25,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it permitted registered representatives to publish research reports prior to the firm filing a continuing membership application with FINRA to engage in a research business. The findings stated that when the firm's registered representatives distributed these research reports to institutional customers, the firm's membership agreement did not permit the firm to engage in a research business. Nor had the firm filed a continuing membership application for authorization to engage in a research business. ([FINRA Case #2015043384601](#))

**First Midstate Incorporated** ([CRD #4300](#), Bloomington, Illinois) submitted an AWC in which the firm was censured and fined \$12,500. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to maintain business-related email communications in the required format. The findings stated that the firm stored its business-related electronic correspondence on the firm's email server, which had off-site duplicate retention. The server (and the communications stored on it) was not readily accessible; did not maintain images and organize indices available for easily readable projection, production, and enlargement; was not subject to an audit system; and the firm was not able to promptly provide information from the server upon request. Further, the server did not preserve emails exclusively in a non-rewriteable, non-erasable format; did not automatically verify the quality and accuracy of the storage media recording process; did not serialize the original and duplicate units of storage media; and did not have the capacity to readily download indices and records. The findings also stated that the firm failed to establish, maintain, and enforce a reasonable supervisory system designed to achieve compliance with applicable rules governing the review of its email correspondence. The computer application the firm used to review electronic communications did not capture email communications sent by representatives from handheld devices while out of the office. As a result, those handheld communications were not subject to supervisory review. ([FINRA Case #2015043651401](#))

**HSBC Securities (USA) Inc.** ([CRD #19585](#), New York, New York) submitted an AWC in which the firm was censured, fined \$575,000, and required to revise its WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it utilized an OMS that allowed the firm to designate certain accounts to automatically transmit trade volume to Bloomberg for advertisement. The findings stated that the firm opened a number of accounts with a default setting that resulted in certain trade activity being sent to Bloomberg twice for advertising. The firm's programming error caused it to over-advertise trade volume executed in at least 30 separate affected trading books. One of the firm's traders manually entered trade volume in certain securities for advertising on Bloomberg. Those securities, however, were also being sent to Bloomberg for automatic advertising through the firm's OMS. By virtue of the trader's erroneous manual advertisements, the firm over-advertised its executed trade volume. The findings also stated that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and FINRA rules, concerning trade volume advertisement. ([FINRA Case #2013035716601](#))

**Interactive Brokers LLC** ([CRD #36418](#), Greenwich, Connecticut) submitted an AWC in which the firm was censured, fined \$190,000, and required to revise its WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it submitted its short interest reports to FINRA but failed to include foreign-listed securities in the reports, resulting in the submission of numerous inaccurate reports, which either over-stated or under-stated the firm's actual short interest positions. The

findings stated that the firm submitted its short interest reports to FINRA, but because of a technological issue related to its reporting of foreign listed securities, the firm failed to report short interest positions and misreported short interest positions. The firm also submitted short interest position reports to FINRA that over-reported its short interest positions.

The findings also stated that the firm's supervisory system, including its WSPs, did not provide for supervision reasonably designed to achieve compliance with applicable securities laws and regulations, and/or FINRA rules, concerning short interest reporting. The supervisory steps set forth in the WSPs were not reasonably designed to detect and prevent potential short interest reporting violations. As a result, the firm failed to detect and prevent the short interest reporting violations. ([FINRA Case #2013036300001](#))

**LMBZ Securities, Inc. (CRD #7874, Chicago, Illinois)** submitted an AWC in which the firm was censured and fined \$120,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to ensure that electronic retail communications it made and adopted complied with FINRA content standards. The findings stated that a substantial number of an affiliate third party's advertorials—advertisements resembling news articles—reprinted on the firm's website were exaggerated, unwarranted, promissory or misleading, and did not comply with FINRA content standards for retail communications. In addition, the advertorials hosted on the firm's website included hyperlinks to "landing pages" hosted on the third party's website. By following these hyperlinks, visitors to the firm's website would be sent directly to the landing pages, which contained additional advertising for the third party's newsletter services and the opportunity to subscribe to them separately from any firm brokerage account. A substantial number of the landing pages for the third party's newsletter services were exaggerated, unwarranted, promissory or misleading, and did not comply with FINRA content standards for retail communications. No sound basis was provided to evaluate the facts behind the claims made on the reprints on the firm's website or the landing pages. There could be no assurance regarding the future performance of any newsletter service, and the statements impermissibly suggested that past performance could be predictive of future performance.

The findings also stated that with respect to website retail communications, the firm failed to maintain and enforce a supervisory system, including WSPs, reasonably designed to ensure compliance with applicable securities laws and regulations. The firm did not review the advertorials on the research section of its website or the adopted landing pages to which they hyperlinked in the manner FINRA required. In addition, the firm's method of review of reprinted content on the research section of its website as correspondence was inadequate. The firm only conducted a random review of this content, and the review was not formally documented, was not subject to any reasonable percentage sampling requirements, and was not augmented by any risk-based criteria or lexicon-based filters. For hyperlinked content the firm adopted, it did not conduct any review. The firm's system

of supervision for review of its own and its adopted retail communications was ineffective and failed to prevent the firm's violations, even after notice from FINRA of potential issues with hyperlinked content. The findings also included that the firm undertook certain private placement activities constituting a material change in its business operations without first obtaining FINRA approval. ([FINRA Case #2014041947501](#))

**Maxim Group LLC (CRD #120708, New York, New York)** submitted an AWC in which the firm was censured, fined \$27,500, and required to revise its WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that in a series of nine transactions, the firm, a distribution participant participating in a distribution of securities on an issuer's behalf, purchased 8,500 shares of a covered security (*i.e.*, the common stock of the issuer) on a principal basis during the restricted period associated with the distribution. The findings stated that the firm entered its quote into the marketplace during the restricted period associated with each distribution. The findings also stated that the firm, while acting as a manager (or in a similar capacity) in a distribution of securities, which was subject to a restricted period under Securities and Exchange Commission (SEC) Rule 101 on behalf of the issuer, failed to submit a Regulation M Restricted Period Notification to FINRA. The findings also included that the firm, while acting as a manager (or in a similar capacity) in a distribution of securities, which were subject to restricted periods under SEC Rule 101 on behalf of a number of issuers, failed to submit a Regulation M Trading Notification to FINRA.

FINRA found that the firm solicited three separate customer orders to purchase, in 26 transactions totaling 17,500 shares, a covered security during the restricted period associated with the distribution. The firm, while acting as a manager (or in a similar capacity) in a distribution of securities, which were subject to restricted periods under SEC Rule 101, on behalf of issuers, failed to timely and/or completely submit a Regulation M Restricted Period Notification to FINRA. The firm, while acting as a manager (or in a similar capacity) in a distribution of securities, which were subject to restricted periods under SEC Rule 101, on behalf of issuers, failed to timely and/or completely submit a Regulation M Trading Notification to FINRA.

FINRA also found that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to securities laws and regulations and the FINRA rules applicable to the conduct described above. The firm's WSPs relating to the conduct described above did not include the identification of the individual(s) responsible for supervision with respect to these rules, a statement of the supervisory step(s) to be taken by the identified person(s), a statement as to how often such person(s) should take such step(s), and a statement as to how the completion of the step(s) included in the WSPs should be documented. ([FINRA Case #2011028964503](#))

**Newbridge Securities Corporation** ([CRD #104065](#), Boca Raton, Florida) submitted an AWC in which the firm was censured, fined \$17,500, and required to revise its WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to transmit ROEs to OATS on business days. The findings stated that the firm transmitted reports to OATS that contained inaccurate, incomplete or improperly formatted data. Specifically, the firm improperly submitted ROEs to OATS that were not required to be reported. The findings also stated that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and FINRA rules, concerning OATS reporting. The firm's supervisory system did not include WSPs providing for a comprehensive review of the OATS website and its own systems to ensure that the firm submitted all ROEs to OATS, as required. The firm failed to provide documentary evidence that it performed the supervisory reviews set forth in its WSPs concerning a regular review of the accuracy and timeliness of its OATS reports. ([FINRA Case #2015046352401](#))

**Prager & Co., LLC** ([CRD #21567](#), San Francisco, California) submitted an AWC in which the firm was censured and fined \$28,500. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that during three separate periods in 2014 and 2015, it failed to enforce its WSPs related to financial controls and books and records, including net capital computations. The findings stated that those failures had the effect of causing the firm to conduct a securities business while net capital deficient, as well as a failure to maintain books and records reflecting an accurate net capital computation. The net capital deficiencies arose from the firm's failure to adequately monitor the capital implications arising from increases in non-allowable assets attributable to accounts receivable from financial advisory clients that were collected in the ordinary course of business. The firm's Financial and Operations Principal (FINOP) did not discover the net capital deficiencies until the FINOP was preparing the prior month's Financial and Operational Combined Uniform Single Report (FOCUS) filings. The firm's WSPs provided that the firm would maintain 120 percent of its minimum net capital, and that at each week's end, the FINOP or a designee would conduct a net capital computation and confirm its accuracy. The firm, however, did not uniformly enforce these procedures, and those computations were not routinely completed. Had the firm enforced its WSPs and done such computations, it would have discovered the net capital deficiencies before preparing the FOCUS filings for the month prior. ([FINRA Case #2014040334801](#))

**SDDCO Brokerage Advisors LLC** ([CRD #153563](#), New York, New York) submitted an AWC in which the firm was censured and fined \$7,500. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it permitted an individual to solicit investors to invest in private offerings through the firm at a time when the individual was not registered with FINRA in any capacity. The findings stated that at least one firm principal, the individual's immediate supervisor, was aware of the individual's activity. ([FINRA Case #2015043381501](#))

**TD Securities (USA) LLC** ([CRD #18476](#), New York, New York) submitted an AWC in which the firm was censured and fined \$125,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that over a 13-month period, it failed to adequately conduct reviews or document its reviews of emails employees sent and received. The findings stated that the firm used both emails and the electronic messaging tool of the Bloomberg system (Bloomberg Messages) to communicate internally and with the firm's clients. However, for the first 10 months, the firm failed to evidence in writing that it timely completed each of its monthly reviews of email communications and Bloomberg Messages employees in four of its six business groups sent and received. For the remaining three months, the firm failed to conduct any of the monthly reviews of email communications or Bloomberg Messages employees in each of the six business groups sent and received. These failures affected a combined total of approximately 3.1 million email communications and Bloomberg Messages that could have been subject to the firm's review. The failures were caused by understaffing and the firm's failure to replace personnel responsible for the reviews. ([FINRA Case #2015043313001](#))

**Tullet Prebon Financial Services LLC** ([CRD #28196](#), Jersey City, New Jersey) submitted an AWC in which the firm was censured, fined \$100,000, and required to revise its WSPs and provide a written report to FINRA 90 calendar days after the date of the Notice of Acceptance of the AWC regarding the implementation and performance (to date) of the firm's revised WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to report the correct trade execution time for S1 transactions in Trade Reporting and Compliance Engine® (TRACE®)-eligible corporate debt securities to TRACE, and failed to report those same transactions to TRACE within 15 minutes of the trade execution time. The findings stated that the firm failed to show the correct trade execution time on brokerage order memoranda. The findings also stated that the firm failed to capture the correct trade execution time for transactions in TRACE-eligible agency debt securities. As a result, the firm failed to report the correct trade execution time to TRACE for those transactions, failed to report those same transactions to TRACE within 15 minutes of the trade execution time, and failed to show the correct trade execution time on brokerage order memoranda. The findings also included that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and FINRA rules, concerning the accuracy of execution times the firm recorded and reported to TRACE. ([FINRA Case #2015045265101](#))

## Individuals Barred or Suspended

**Cyrus M. Alphonse** ([CRD #5087583](#), Newburyport, Massachusetts) submitted an AWC in which he was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in any principal capacity for two months. Without admitting or denying the findings, Alphonse consented to the sanctions and to the entry of findings that he failed to

reasonably supervise the private securities transactions of a registered representative at his member firm. The findings stated that Alphonse did not supervise the representative's participation with a private equity fund because he considered it an outside business activity and not private securities transactions. In addition, the transactions were not recorded on the firm's books and records. The findings also stated that Alphonse reviewed and approved research reports the firm's research analysts had written. However, Alphonse was not licensed to do so since he never passed the relevant qualification examination.

The suspension is in effect from January 17, 2017, through March 16, 2017. ([FINRA Case #2014038889901](#))

**Christopher B. Ariola** ([CRD #2957096](#), Santa Monica, California) was barred from association with any FINRA member in any capacity and ordered to pay a total amount of \$137,993.13, plus prejudgment interest totaling \$18,657.43, in restitution to customers. The sanctions were based on findings that Ariola made unsuitable recommendations to elderly retirees to invest a substantial portion of their limited retirement assets in certain high-risk gold and energy stocks. The findings stated that these recommendations were unsuitable given these customers' financial circumstances, investment objectives and low risk tolerances, and because the recommendations resulted in the customers' accounts being unduly concentrated in gold and energy stocks. Ariola made similar unsuitable recommendations with respect to a former customer's retirement account that he controlled on the former customer's behalf. As a result of his unsuitable recommendations, these customers suffered combined realized losses of \$137,993.13. The findings also stated that Ariola obtained access to the former customer's retirement account and engaged in securities trading in that account on the customer's behalf without providing the required written notice of such outside brokerage account to his member firm or of his registered status with it to the firm that held the retirement account. ([FINRA Case #2012034139101](#))

**Akio Lawrence Bley** ([CRD #4228333](#), Gladwyne, Pennsylvania) submitted an AWC in which he was fined \$5,000 and suspended from association with any FINRA member in any capacity for three months. Without admitting or denying the findings, Bley consented to the sanctions and to the entry of findings that he failed to provide his member firm with written notice of his participation in two private securities transactions, involving his own personal investment and that of a non-firm customer, or receive the firm's approval prior to participating in the transactions. The findings stated that Bley did not receive any sales commissions from either transaction but did receive some returns on a joint investment in one of the transactions.

The suspension is in effect from February 6, 2017, through May 5, 2017. ([FINRA Case #2014040860301](#))

**Christopher Nicholas Cacace** ([CRD #4308782](#), Rockville Centre, New York) submitted an AWC in which he was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in any principal capacity for 20 business days. Without admitting

or denying the findings, Cacace consented to the sanctions and to the entry of findings that he failed to ensure that his member firm reported, or timely reported, statistical and summary information regarding written customer complaints sent to the firm. The findings stated that Cacace failed to ensure that the firm timely filed Form U4 or U5 amendments for registered representatives with respect to customer complaints and a customer arbitration.

The suspension was in effect from January 17, 2017, through February 13, 2017. ([FINRA Case #2012030422901/2015047602801](#))

**Hyun Sik Cho (CRD #5712635, Manlius, New York)** submitted an AWC in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Cho consented to the sanction and to the entry of findings that he refused to appear for FINRA on-the-record testimony related to allegations that Cho received loans from customers of his member firm totaling more than \$100,000 without notifying the firm or obtaining its approval. ([FINRA Case #2016051752001](#))

**Dennis Coral (CRD #4561718, Miami, Florida)** submitted an AWC in which he was suspended from association with any FINRA member in any capacity for 15 business days. In light of Coral's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Coral consented to the sanction and to the entry of findings that he shared in losses sustained by his member firm's customer by depositing \$34,935 of his personal funds into the customer's account. The findings stated that Coral deposited the funds in the customer's account without the firm's prior knowledge or approval, and without having previously contributed to the account, to reimburse the customer for losses sustained in connection with the customer's purchases of Puerto Rican bond holdings that Coral recommended. During the course of the firm's review of the deposits in the customer's firm accounts, the customer informed the firm that Coral deposited the funds to cover the losses the customer incurred in connection with his Puerto Rican bond holdings.

The suspension was in effect from February 21, 2017, through March 13, 2017. ([FINRA Case #2014041331401](#))

**John Paul Corsi (CRD #1268728, Parma, Ohio)** submitted an AWC in which he was assessed a deferred fine of \$20,000 and suspended from association with any FINRA member in any capacity for 20 months. Without admitting or denying the findings, Corsi consented to the sanctions and to the entry of findings that he engaged in an outside business activity without first disclosing the complete nature and scope of his involvement to his member firm in writing, in accordance with its WSPs. The findings stated that although Corsi disclosed his outside business activity to the firm, he only described his position as manager of sales and customer service, and failed to disclose his role in fundraising. The findings also stated that Corsi failed to disclose the existence of promissory notes issued by his outside business activity that he was recommending to firm customers for compensation. Corsi

participated in private sales of \$1,790,041 worth of these securities. Corsi did not notify the firm of any of the private security sales or obtain its approval to participate in them. The findings also included that with respect to three customers, Corsi unsuitably recommended they invest a significant portion of their stated net-worth in the promissory notes issued by his outside business activity, which contained a heightened risk. The promissory notes did not meet the customers' investment objectives and resulted in excessive concentrations in the promissory notes in each of the customer's accounts. On three occasions, Corsi affirmed to his firm that he was not participating in any private securities transactions.

The suspension is in effect from January 3, 2017, through September 2, 2018. ([FINRA Case #2015046951301](#))

**Richard Dorso (CRD #1060529, East Northport, New York)** submitted an AWC in which he was suspended from association with any FINRA member in any capacity for two months. In light of Dorso's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Dorso consented to the sanction and to the entry of findings that he willfully failed to timely disclose tax liens totaling approximately \$287,689 on his Form U4.

The suspension is in effect from February 6, 2017, through April 5, 2017. ([FINRA Case #2015047540501](#))

**Beth Ellen Dutoit (CRD #2485404, Norman, Oklahoma)** submitted an AWC in which she was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in any capacity for three months. Without admitting or denying the findings, Dutoit consented to the sanctions and to the entry of findings that while associated with her member firm, she had customers sign a blank form to facilitate the transfer of multiple accounts to the firm rather than have the customers sign transfer request forms for each of the accounts transferred. The findings stated that she obtained one signed form from four customers and photocopied the forms for as many transferring accounts as necessary. Dutoit submitted the forms with the photocopied signatures to the firm as authentic. Dutoit was permitted to resign during the firm's internal review of these forms. The findings also stated that while Dutoit was associated with another member firm, she submitted a form that authorized the electronic transfer of funds from a husband's checking account to the couple's joint brokerage account. However, the wife failed to sign the form. Dutoit's manager instructed her to meet with the customer, obtain the wife's signature and then re-submit the form to an assistant. Dutoit falsified the wife's signature and submitted the form bearing the false signature to the firm as authentic. The findings also included that Dutoit caused the firms to maintain inaccurate books and records.

The suspension is in effect from January 17, 2017, through April 16, 2017. ([FINRA Case #2015047435601](#))

**Joseph Burke Forster** ([CRD #1423966](#), Melbourne, Australia) submitted an AWC in which he was fined \$15,000, suspended from association with any FINRA member in any principal capacity for four months, and required to cause his member firm to amend its WSPs to require that two General Securities Principals (Series 24) review and approve any Uniform Application for Broker-Dealer Registration (Form BD), Form U4 or U5, or other regulatory filings with FINRA or the SEC, for a period of 12 months after his four-month suspension has ended. Without admitting or denying the findings, Forster consented to the sanctions and to the entry of findings that he caused his firm to file a Form BD that inaccurately indicated that the firm's main office had changed from Melbourne, Australia, to a New York residential address. The findings stated that the Form BD was materially inaccurate so as to be misleading in that the firm's main address remained in Australia and had not moved to New York. At that time, the firm was attempting to renew its fidelity bond insurance coverage with its U.S.-based insurance carrier, coverage the firm had maintained for many years. When FINRA inquired about the address change, they were advised that the change was a mistake and the firm's main address was changed back to Melbourne, Australia.

The suspension is in effect from February 21, 2017, through June 20, 2017. ([FINRA Case #2014040737101](#))

**Richard Michael Gholson** ([CRD #711020](#), Pahoa, Hawaii) submitted an AWC in which he was fined \$5,000 and suspended from association with any FINRA member in any principal capacity for 30 days. Without admitting or denying the findings, Gholson consented to the sanctions and to the entry of findings that he failed to reasonably supervise a registered representative's the sale of certain UITs. The findings stated that Gholson did not sufficiently understand the potential risks of UITs the registered representative recommended and sold and, in particular, did not understand that those UITs might employ leverage. Gholson also failed to conduct sufficient due diligence on the UITs the registered representative recommended and sold, such as reading the prospectuses, prior to approving the UITs for sale. Each of the prospectuses for these UITs stated that the UIT invested in closed-end bond funds, some of which might employ the use of leverage in their portfolios, and that this leverage subjects the fund to increased risks.

The suspension was in effect from February 6, 2017, through March 7, 2017. ([FINRA Case #2013039239101](#))

**Patrick Thomas Golden** ([CRD #2573879](#), Huntersville, North Carolina) submitted an AWC in which he was assessed a deferred fine of \$15,000 and suspended from association with any FINRA member in any capacity for 20 months. Without admitting or denying the findings, Golden consented to the sanctions and to the entry of findings that he engaged in private securities transactions totaling \$115,000 without providing prior written notice to his member firm describing the details of the transactions. The findings stated that although Golden did notify his firm of the private securities transactions, he failed to include material details of the transactions. The findings also stated that Golden engaged

in outside business activities that were outside the scope of his relationship with his firm and without providing prior or prompt written notice to the firm. The findings also included that contrary to Golden's firm's policies, he borrowed, personally or through a company he owned, a total of \$153,000 from firm customers whose accounts he serviced at the time of the loans. The customers were not members of Golden's family and he neither provided the firm with prior written notice of the loans, nor obtained the firm's approval of them. FINRA found that Golden instructed a firm customer to make a misstatement to the firm regarding a loan the customer made to Golden. Golden also made false statements on firm compliance documents and questionnaires regarding his private securities transactions, outside business activities and loans from customers.

The suspension is in effect from January 17, 2017, through September 16, 2018. ([FINRA Case #2014043362201](#))

**Richard Gomez** ([CRD #4727721](#), Jackson Heights, New York) submitted an AWC in which he was suspended from association with any FINRA member in any capacity for one year. In light of Gomez's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Gomez consented to the sanction and to the entry of findings that he engaged in several types of misconduct in the Individual Retirement Accounts (IRAs) of three of his member firm's customers. The findings stated that without obtaining prior written authorization from two of these customers—who are husband and wife and senior investors—and without the firm's acceptance of the customers' IRAs as discretionary accounts, Gomez effected discretionary trades in these customers' IRAs. Gomez failed to discuss the trades with the customers on the dates of the transactions. The findings also stated that Gomez's trading in these accounts was excessive. The turnover and cost-to-equity ratios far exceeded the thresholds indicating excessive trading. Further, the strategy was inconsistent with the investment objective of capital preservation and a moderate to moderately aggressive risk tolerance that the customers expected for their respective IRAs. Nevertheless, Gomez's trading in these IRAs resulted in losses of approximately \$213,000 for the customers and generated approximately \$483,400 in commissions.

The findings also included that Gomez executed transactions in a third customer's IRA, who is also a senior investor, that were part of a qualitatively unsuitable trading strategy. The transactions that Gomez effected in this customer's IRA resulted in market losses, and commissions and fees totaling nearly \$30,000. The customer learned that Gomez was not implementing the trading strategy that they had agreed upon when he began to receive trade confirmations in the mail. The customer immediately complained to Gomez and the firm, and instructed Gomez to stop effecting any transactions in his IRA. Gomez's trading in this customer's IRA was unsuitable for the customer because the investment strategy in the IRA was inconsistent with the customer's expectations and his directions to Gomez regarding the strategy that Gomez promised to implement in the account. The investment strategy was also inconsistent with the customer's moderately aggressive risk

tolerance and growth investment objectives, which were reflected in the customer's new account documents for the firm. Instead, the strategy concentrated the customer's assets in a single security at a time, so a negative performance in the security would have drastic effects on the IRA value. Gomez also effected transactions in the customer's IRA without his authorization, knowledge or consent.

FINRA found that as a result of the customer's complaint regarding his trading activity in his IRA, Gomez executed an agreement in which he agreed to repay to the customer, in an installment plan, the commissions of \$9,186 generated from Gomez's trading in his IRA. Gomez proposed the dates and amounts for repayment that were incorporated in the agreement. However, Gomez never intended to honor the terms of the agreement. Without providing any explanation, Gomez failed to make the first required payment. Gomez also failed to make subsequent payments, despite repeated promises to the customer and the firm's management that he would do so. On at least two occasions, the firm withheld Gomez's commission payments in order to make partial payments to the customer. By the agreement's deadline for Gomez to fulfill his obligations pursuant to the agreement, the customer had received approximately a third of the amount due to him under the agreement, largely through the firm's intervention. By that point, Gomez had resigned from the firm, had ceased to make any payments under the agreement, and had stopped responding in any way to the customer's requests for payment. Gomez did not have any reasonable justification or excuse for his failure to comply with the agreement.

The suspension is in effect from February 6, 2017, through February 5, 2018. ([FINRA Case #2014039358003](#))

**Roark Alan Gover** ([CRD #1676215](#), Northampton, Pennsylvania) submitted an AWC in which he was suspended from association with any FINRA member in any capacity for 10 business days. In determining the sanction, FINRA considered the fact that Gover's member firm separately suspended and fined him for the same conduct. Without admitting or denying the findings, Gover consented to the sanction and to the entry of findings that he falsely represented to his firm on three occasions that he had witnessed a customer sign a form used to request a transfer of funds; and through his false representations, Gover unwittingly enabled fraudulent transfers. The findings stated that a branch office of the firm received and processed three requests to transfer funds from a firm customer's account to outside bank accounts. Unbeknownst to the registered representative for the account or anyone else at the firm, these requests did not come from the customer, but from an imposter who had gained unlawful access to the customer's email.

The findings also stated that a registered sales assistant in the office processed all three requests. Gover received three outgoing wire forms from the registered sales assistant that included an attestation that the signatory, a registered principal, had first called the client to confirm the client's intention to wire funds. Upon receiving and reviewing each of the three outgoing wire forms, Gover completed and signed a signature guarantee request for

the fraudulent request to transfer funds. All three signature guarantee requests referenced an outgoing wire form signed by the customer and the joint accountholder. Although Gover did not witness either the customer or the joint account holder sign any of the outgoing wire requests, he represented falsely that he did on each of the three signature guarantee requests. Another request by the imposter to transfer funds out of the customer's account prompted the branch office to contact the firm's compliance department. The firm subsequently investigated, determined that the requests were fraudulent, and then reimbursed the customer the full \$147,000 that the imposter had succeeded in transferring out of the customer's account.

The suspension was in effect from February 21, 2017, through March 6, 2017. ([FINRA Case #2015047705901](#))

**Christopher James Hackley (CRD #1977760, Ottsville, Pennsylvania)** submitted an AWC in which he was suspended from association with any FINRA member in any capacity for 10 business days. In determining the sanction, FINRA considered the fact that Hackley's member firm separately suspended and fined him for the same conduct. Without admitting or denying the findings, Hackley consented to the sanction and to the entry of findings that he falsely attested to his member firm that he had confirmed a customer's intention to transfer funds out of the customer's account, when in fact, an imposter had requested the transfers; and Hackley through his false attestations, unwittingly enabled the fraudulent transfers. The findings stated that Hackley received an email from a customer requesting that "around \$40k" be transferred from the customer's firm account to an outside bank account. Hackley forwarded the email to a registered sales assistant to facilitate the request. Unbeknownst to Hackley, the registered sales assistant or anyone else at the firm, the request came from an imposter who had hacked the customer's email account. The registered sales assistant provided Hackley with an outgoing wire form—which the imposter had completed—for his signature. Hackley signed the form, after which the firm transferred \$37,000 out of the customer's account. By signing the outgoing wire form, Hackley attested that he had confirmed the customer's intention to transfer funds by placing an outbound call to the customer's phone. In fact, he had neither telephoned nor otherwise attempted to contact the customer about the request to transfer funds.

Hackley provided a second false attestation on an outgoing wire form, this time enabling a fraudulent transfer of \$60,000. In the interim, the office processed another request while Hackley was out of the office, resulting in a fraudulent transfer of \$50,000. Following an additional request, Hackley and the registered sales assistant became suspicious that the requests were illegitimate and contacted the firm's compliance department. The firm subsequently investigated, determined that the requests were fraudulent, and then reimbursed the customer the full \$147,000 that the imposter had succeeded in transferring out of the customer's account.

The suspension was in effect from February 21, 2017, through March 6, 2017. ([FINRA Case #2015047705902](#))

**Steve Dale Heath** ([CRD #2812758](#), Newport News, Virginia) submitted an AWC in which he was fined \$5,000, suspended from association with any FINRA member in any capacity for two months, and required to pay \$7,207, plus interest, in restitution to a customer. Without admitting or denying the findings, Heath consented to the sanctions and to the entry of findings that he recommended and effected short-term trades involving Class A mutual funds shares for the account of an elderly customer with conservative investment objectives, without having a reasonable basis for believing that such transactions were suitable. The findings stated that even though mutual funds are intended as longer-term investments, Heath recommended selling after an average of only 249 days. Some of the transactions involved switching, where Heath used the proceeds from the sale of Class A mutual fund shares to purchase other Class A mutual fund shares. As a result of these transactions, the elderly customer suffered losses of approximately \$7,207. The findings also stated that Heath effected discretionary trades in the customer's account without obtaining the customer's prior written authorization or his member firm's written acceptance of the account as discretionary.

The suspension is in effect from February 6, 2017, through April 5, 2017. ([FINRA Case #2014042674201](#))

**Greg James Hilliard** ([CRD #4695196](#), Red Bank, New Jersey) submitted an AWC in which he was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in any capacity for three months. Without admitting or denying the findings, Hilliard consented to the sanctions and to the entry of findings that he willfully failed to disclose on his Form U4 a civil judgment that was entered against him in the amount of \$294,856.55 based on his failure to satisfy an arbitration award in the same amount.

The suspension is in effect from January 17, 2017, through April 16, 2017. ([FINRA Case #2014038903701](#))

**Mauricio Jaramillo** ([CRD #6148206](#), Bogota, Colombia) submitted an AWC in which he was assessed a deferred fine of \$7,500 and suspended from association with any FINRA member in any capacity for four months. Without admitting or denying the findings, Jaramillo consented to the sanctions and to the entry of findings that he recommended unsuitable trades in at least three customer accounts, in that he recommended short-term trading in bonds, undue concentration of positions, and the use of margin to customers who were not suitable for such trading. The findings stated that Jaramillo maintained limited trading authorization over various customer accounts at his member firm and received compensation on trades he placed in such accounts. Two of the customers had long-term growth investment objectives and another customer had a moderate risk tolerance, but their accounts were almost totally concentrated in bonds typically denominated in Brazilian Reals. These customers also had significant margin balances in their accounts. Jaramillo did not have any reasonable basis to believe that such short-term trading, concentrations of

positions and use of margin was suitable for the customers, or that such trading was consistent with their investment objectives, risk tolerances, and financial situations and needs.

The suspension is in effect from January 17, 2017, through May 16, 2017. ([FINRA Case #2013035313901](#))

**Solomon David Krispeal (CRD #2735776, Roslyn Heights, New York)** submitted an AWC in which he was fined \$2,500 and suspended from association with any FINRA member in any capacity for 30 days. Without admitting or denying the findings, Krispeal consented to the sanctions and to the entry of findings that he failed to timely and accurately amend his Form U4 to disclose that he was named as a respondent in a securities arbitration that alleged sales practice violations against him.

The suspension was in effect from February 6, 2017, through March 7, 2017. ([FINRA Case #2014042764601](#))

**Michael Scott Lavoipe (CRD #5054798, Brooklyn, New York)** was barred from association with any FINRA member in any capacity. The sanction was based on findings that Lavoipe failed to respond to FINRA requests for documents and information as part of an examination into his allegedly unsuitable trading in a customer's account. ([FINRA Case #2015047559201](#))

**Dennis Changseop Lee (CRD #2339083, Middle Village, New York)** submitted an AWC in which he was assessed a deferred fine of \$15,000 and suspended from association with any FINRA member in any capacity for nine months. Without admitting or denying the findings, Lee consented to the sanctions and to the entry of findings that he executed trades for a third-party in an account that he opened at another FINRA member firm without providing prior written notice to his member firm or the executing member firm that he was exercising discretion in the account. The findings stated that Lee had log-in credentials for the online trading account and placed trades in the customer's online account held away from his firm. The findings also stated that Lee mismarked order tickets as unsolicited, when he had in fact solicited those transactions, thereby causing his firm to maintain inaccurate books and records.

The suspension is in effect from February 6, 2017, through November 5, 2017. ([FINRA Case #2015044444901](#))

**Victor Lee (CRD #5513482, Bayside, New York)** submitted an AWC in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Lee consented to the sanction and to the entry of findings that he engaged in an undisclosed outside business activity assisting a local tax preparer from whom he sought referral business. The findings stated that Lee created partnership agreements for the tax preparer's clients and held himself out to be a partner of the tax preparer. Lee's

activity was outside the scope of his business with his member firm, and he did not provide notice of this activity, at any time, to the firm. Additionally, Lee used the firm's resources, including his email address with the firm, to communicate with the tax preparer's clients, creating the false impression that the firm endorsed his work on behalf of the tax preparer, when it did not.

The findings also stated that Lee created partnership agreements for the tax preparer's clients when he did not have any reason to believe they were under audit by the New York State Department of Tax and Finance. Lee understood that the audits related to tax deductions claimed by the tax preparer's clients on partnership tax returns filed in prior years, and that the tax preparer's clients under audit, did not have documented partnership agreements. Lee did not have any prior experience in creating partnership agreements, or any legal or tax expertise regarding partnerships. Notwithstanding these facts, Lee created backdated partnership agreements for the tax preparer's clients. Lee inserted backdated effective dates using information in the previously filed returns regarding the date the businesses were started. However, Lee did not adequately investigate the purported partnerships. As a result, Lee did not know whether the agreements he drafted accurately reflected partnerships that existed as of the effective dates that he inserted in the agreements. Lee failed to appreciate that people reading the newly created documents, such as state auditors, might be misled to believing that the written partnership agreements had been in existence years earlier. Lee failed to conduct adequate due diligence in drafting the agreements even though he knew that a majority of the partnership agreements he created and dated were to be submitted to the New York State Department of Taxation and Finance in connection with pending partnership tax audits. ([FINRA Case #2015048359601](#))

**Hugh Wilkens Levey** ([CRD #1472230](#), New York, New York) submitted an AWC in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Levey consented to the sanction and to the entry of findings that he refused to appear for FINRA on-the-record testimony in connection with an investigation into potential misuse of funds. ([FINRA Case #2016051355401](#))

**Bo Li** ([CRD #5711148](#), Draper, Utah) was barred from association with any FINRA member in any capacity. The sanction was based on findings that Li failed to appear and provide FINRA with investigative testimony in connection with its investigation into whether he structured transactions in his personal bank account to avoid federal reporting requirements. ([FINRA Case #2014043420401](#))

**Tommy Huy Mai** ([CRD #6314981](#), Garden Grove, California) submitted an AWC in which he was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in any capacity for four months. Without admitting or denying the findings, Mai consented to the sanctions and to the entry of findings that he forged or caused to be forged customers' signatures on various types of customer account documents including

his member firm's new account forms and non-firm insurance applications. The findings stated that Mai also had customers sign incomplete account forms (including both firm and non-firm forms), and altered or caused to be altered customer account forms after the customer signed them. The forgeries and alterations were effected with the customers' knowledge and consent.

The findings also stated that Mai paid to air a television program on two Los Angeles Vietnamese-language television stations. Mai appeared in every episode of the program and discussed a range of insurance and investment-related topics. Mai failed to obtain prior approval from the firm or FINRA prior to airing the program. In addition, the content of the program was, at times, misleading, promissory and/or unbalanced.

The suspension is in effect from January 17, 2017, through May 16, 2017. ([FINRA Case #2015046624301](#))

**Eamon Patrick McCooey** ([CRD #1762536](#), Pelham, New York) submitted an AWC in which he was fined \$5,000 and suspended from association with any FINRA member in any capacity for 15 business days. Without admitting or denying the findings, McCooey consented to the sanctions and to the entry of findings that he failed to timely amend his Form U4 to disclose tax liens.

The suspension was in effect from February 6, 2017, through February 24, 2017. ([FINRA Case #2014042194702](#))

**Matthew Meehan** ([CRD #4320603](#), Winter Garden, Florida) submitted an AWC in which he was assessed a deferred fine of \$15,000, suspended from association with any FINRA member in any capacity for 12 months, and ordered to pay deferred restitution to customers in the total amount of \$21,813.54, plus interest. Without admitting or denying the findings, Meehan consented to the sanctions and to the entry of findings that he engaged in quantitatively unsuitable trading in customer accounts. The findings stated that these accounts sustained a collective loss of \$21,813.54. The findings also stated that at various times, Meehan exercised discretion in these customer accounts. Meehan exercised discretion notwithstanding the fact that he did not have the customers' written authorization to place discretionary trades, and his firm had not approved and accepted the accounts as discretionary.

The suspension is in effect from January 17, 2017, through January 16, 2018. ([FINRA Case #2016050114901](#))

**Ricky Randon Moore** ([CRD #2574634](#), West Columbia, Texas) was fined \$30,000 and suspended from association with any FINRA member in any capacity for four months. The sanctions were based on findings that Moore participated in a church bond offering and did not provide prior written notice to his member firm concerning the outside business activities. The findings stated that when Moore became registered through his firm, he

requested and received the firm's permission to act as a pulpit minister for a church and earn \$30,000 in annual compensation. In his disclosure on the outside business activity form, Moore stated his duties and obligations as pulpit minister would be teaching and preaching, he would not spend any of his time on this activity in regular business hours, and none of this activity would be conducted in a FINRA-registered office. Further, the activity would not involve firm customers and Moore would not be involved in the church's finances. However, when the church began considering the possibility of issuing bonds to finance the construction of a new church building, Moore met with a registered representative employed by a broker-dealer specializing in the issuance and marketing of church bonds.

The findings also stated that Moore attended meetings with the broker-dealer, gathered and sent financial information to the broker-dealer about the church from his firm's office, incorporated the church so it could issue the bonds, served as the president and director of the church for 34 days, wrote draft language for a public letter to potential investors announcing an informational meeting about the bonds, reviewed the prospectus, and listened in on the informational meeting about the bond offering from the back of the room. Moore engaged in business activities outside the scope of his relationship with his firm and without providing prior written notice. The findings also included that Moore falsely answered "no" to the question in his firm's annual compliance questionnaire as to whether he had participated in raising capital, equity, or debt for any public or private investment or venture outside of a firm-approved offering.

The suspension is in effect from January 17, 2017, through May 16, 2017. ([FINRA Case #2013038770901](#))

**Jeffrey M. Moss (CRD #6480510, Bountiful, Utah)** submitted an AWC in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Moss consented to the sanctions and to the entry of findings that he refused to appear for FINRA on-the-record testimony during the course of its investigation into whether he altered a score report for the Investment Company and Variable Contracts Products Qualification examination (Series 6 exam) that he submitted to his member firm. The findings stated that the score report inaccurately reflected that Moss had passed the examination. ([FINRA Case #2016049462101](#))

**Anna Justine Murphy (CRD #5440842, Richmond, Virginia)** submitted an AWC in which she was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in any capacity for 18 months. Without admitting or denying the findings, Murphy consented to the sanctions and to the entry of findings that she possessed prohibited materials while taking the Series 7 licensing examination. The findings stated that prior to beginning the examination, Murphy attested that she had read and would abide by the FINRA Test Center Rules of Conduct, which prohibit the possession of notes, formulas, or any other study materials in the examination room or during a restroom

break, and required all such materials to be stored in a locker. During the test session, Murphy possessed and had access to notes related to the subject matter of the licensing examination.

The suspension is in effect from February 6, 2017, through August 5, 2018. ([FINRA Case #2016050639601](#))

**Joseph Cobham Noyes IV (CRD #2596087, Stonington, Connecticut)** submitted an AWC in which he was fined \$5,000, suspended from association with any FINRA member in any capacity for three months and required to pay \$1,508.08, plus interest, in disgorgement of commissions. Without admitting or denying the findings, Noyes consented to the sanctions and to the entry of findings that he completed applications for variable annuities for two customers that incorrectly stated that the source of funds to be used to purchase the annuities was the customers' brokerage accounts when, in fact, the customers liquidated existing annuities to fund the purchases. The findings stated that Noyes recommended an unsuitable annuity exchange to one of the customers. Noyes did not have a reasonable basis for recommending the annuity exchange when he recommended that the customer sell his existing annuity, which paid a 5 percent return, and purchase a new annuity, which paid a 6 percent return in certain circumstances. However, if the customer made withdrawals from the new annuity in the first 12 months after purchasing it—as he was certain to do given that he relied on income from the annuity to pay his monthly expenses—the new annuity only provided a 3 1/2 percent return. In addition, the customer paid \$7,645.86 in commissions in connection with the new annuity. The annuity did not provide any economic benefit to the customer.

The suspension is in effect from February 21, 2017, through May 20, 2017. ([FINRA Case #2015046842401](#))

**Joseph Frank Pailin Jr. (CRD #1209128, Roslyn, Pennsylvania)** submitted an AWC in which he was assessed a deferred fine of \$7,500 and suspended from association with any FINRA member in any capacity for six months. Without admitting or denying the findings, Pailin consented to the sanctions and to the entry of findings that he willfully failed to timely amend his Form U4 to disclose three federal tax liens that had been filed against him.

The suspension is in effect from January 17, 2017, through July 16, 2017. ([FINRA Case #2016049315401](#))

**Chaz Thomas Partosan (CRD #6436761, Norwich, Connecticut)** submitted an AWC in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Partosan consented to the sanction and to the entry of findings that he converted funds from customers of his member firm's bank affiliate. The findings stated that Partosan made an unauthorized purchase and unauthorized automatic teller machine (ATM) withdrawals totaling approximately \$1,002 using the customer's debit card. Partosan obtained the card while performing his duties as a bank employee. Partosan used the funds to pay personal expenses. ([FINRA Case #2016052079401](#))

**Barbara Dalton Russell** ([CRD #1173259](#), Lexington, Massachusetts) submitted an AWC in which she was fined \$5,000 and suspended from association with any FINRA member in any capacity for two months. Without admitting or denying the findings, Russell consented to the sanctions and to the entry of findings that she was involved in an outside business without providing full and complete written notice to, or obtaining the requisite approval from, her member firm. The findings stated that just prior to joining the firm, Russell executed a consulting agreement with an education company to be a paid consultant, and she failed to disclose the existence of that consulting agreement to the firm or provide the firm with full and accurate details concerning the nature and scope of this outside business.

The suspension is in effect from February 6, 2017, through April 5, 2017. ([FINRA Case #2016048435001](#))

**Gary Saitowitz** ([CRD #4238395](#), Marietta, Georgia) submitted an AWC in which he was assessed a deferred fine of \$10,000, suspended from association with any FINRA member in any capacity for 18 months and ordered to pay \$11,455, plus interest, in restitution a customer. Without admitting or denying the findings, Saitowitz consented to the sanctions and to the entry of findings that he had customers sign blank and incomplete brokerage forms, which he placed in customer files maintained as books and records at his member firm. The findings stated that some of the pre-signed forms authorized fund movement or loans from customer accounts, while others related to customer financial information the firm used to supervise whether transactions Saitowitz solicited were suitable for customers. Maintaining these pre-signed forms enhanced the risk that customers would be placed in unsuitable investments or subject to unauthorized account activity.

The findings also stated that Saitowitz caused the firm to maintain inaccurate books and records in connection with sales of non-traded real estate investment trusts (REITs). The firm imposed limits on the amount of a customer's liquid assets that could be invested in non-traded REITs. To circumvent the firm's concentration limits, Saitowitz maintained records overstating the liquid net worth of certain customers in connection with sales of non-traded REITs. Saitowitz impeded his firm's ability to supervise his non-traded REIT activities. The findings also included that Saitowitz recommended that four customers, including a senior citizen, allocate unsuitable amounts of their assets to non-traded REITs. Based on Saitowitz's recommendations, these customers overly concentrated their assets in non-traded REITs, and, as a result, their asset allocations were unsuitable to their investment objectives and risk tolerances.

FINRA found that Saitowitz participated in a private securities transaction involving the purchase and sale of approximately \$46,600 in a non-traded REIT. Saitowitz did not process the transactions through his firm or notify his firm of his participation in the transaction. FINRA also found that Saitowitz used unapproved, personal email addresses to conduct securities business, in contravention of his firm's policies and procedures. Despite being instructed by the firm to cease communicating with customers pending the firm's internal

review of his sales practices, Saitowitz continued to communicate with customers using his personal email addresses, which were not subject to monitoring by the firm. In addition, FINRA determined that Saitowitz willfully failed to report a judgment and a tax lien, and willfully failed to timely report five tax liens on his Form U4.

The suspension is in effect from January 3, 2017, through July 2, 2018. ([FINRA Case #2014040691001](#))

**Ronald Edward Siemon** ([CRD #1488312](#), Albuquerque, New Mexico) submitted an AWC in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Siemon consented to the sanction and to the entry of findings that he failed to provide FINRA with requested documents during the course of its investigation relating to a customer complaint. ([FINRA Case #2016051566701](#))

**James Carolan Speno** ([CRD #431912](#), New York, New York) submitted an AWC in which he was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in any capacity for 30 business days. Without admitting or denying the findings, Speno consented to the sanctions and to the entry of findings that he exercised discretionary power in customer accounts by effecting approximately 1,000 transactions, without obtaining the customers' prior written authorization. The findings stated that in certain circumstances, Speno's member firm allowed the use of discretion with both the firm's and the client's prior approvals, but Speno failed to obtain those approvals.

The suspension was in effect from January 3, 2017, through February 14, 2017. ([FINRA Case #2015045057901](#))

**Daniel William Staudacher** ([CRD #2878221](#), Lantana, Texas) submitted an AWC in which he was fined \$5,000 and suspended from association with any FINRA member in any capacity for one month. Without admitting or denying the findings, Staudacher consented to the sanctions and to the entry of findings that he executed unauthorized transactions in two different customers' accounts. After these customers complained, Staudacher's member firm reversed the transactions in their accounts and made them whole. Staudacher's firm imposed a total of \$10,000 in monetary sanctions on Staudacher as a result of his unauthorized trading in the customers' accounts. The findings also stated that Staudacher engaged in unapproved securities-related communications with the same two customers via text messaging, which violated his firm's WSP. The firm did not capture, review or retain Staudacher's text message communications.

The suspension was in effect from February 6, 2017, through March 5, 2017. ([FINRA Case #2016048603001](#))

**Cormean A. Thomas** ([CRD #6045676](#), Houston, Texas) submitted an AWC in which he was suspended from association with any FINRA member in any capacity for two years. In light of Thomas' financial status, no monetary sanction has been imposed. Without

admitting or denying the findings, Thomas consented to the sanction and to the entry of findings that he effected unauthorized trades, both sales and purchases of securities, in accounts belonging to customers of his member firm without the customers' knowledge or consent. The findings stated that the firm prohibited its registered representatives from exercising discretion in customer accounts. The findings also stated that Thomas made one discretionary trade in a customer's account and three discretionary trades in another customer's account. Although the customers verbally authorized the trades, Thomas did not speak with either customer on the dates of the trades before entering the orders. The findings also included that Thomas failed to disclose two customer complaints to his firm, one alleging poor customer service and the other alleging unauthorized trading, which prevented the firm from complying with its reporting obligations.

FINRA found that when Thomas received one of the customer complaints, alleging that a trade in the customer's account had been made without her knowledge or consent, Thomas submitted a trade correction request to his firm. Thomas was required to provide a reason for the correction. Thomas stated in writing that the customer had changed her mind and needed the money for a family emergency, which was not true.

The suspension is in effect from January 17, 2017, through January 16, 2019. ([FINRA Case #2015045932601](#))

**Bradley Ross Thompson (CRD #3233338, Fort Collins, Colorado)** submitted an AWC in which he was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in any capacity for 30 days. Without admitting or denying the findings, Thompson consented to the sanctions and to the entry of findings that he accepted two separate loans, collectively totaling \$60,000, from his member firm's customers without disclosing or seeking approval from the firm, at any point, for the loans. The findings stated that Thompson subsequently repaid both loans.

The suspension is in effect from February 21, 2017, through March 22, 2017. ([FINRA Case #2016050334101](#))

**Bryan Roy Todd (CRD #2138027, Sheridan, Wyoming)** submitted an AWC in which he was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in any capacity for 45 days. Without admitting or denying the findings, Todd consented to the sanctions and to the entry of findings that he willfully failed to timely amend his Form U4 to disclose an unsatisfied civil judgment. The findings stated that Todd also failed to timely amend his Form U4 to disclose credit compromises with banks.

The suspension was in effect from January 17, 2017, through March 2, 2017. ([FINRA Case #2016048390301](#))

**Alfred William Valz (CRD #452388, Belmar, New Jersey)** submitted an AWC in which he was fined \$5,000 and suspended from association with any FINRA member in any capacity for 10 business days. Without admitting or denying the findings, Valz consented to the

sanctions and to the entry of findings that he exercised discretion in a customer's account without obtaining the customer's prior written authorization or his member firm's written approval of the account as discretionary. The findings stated that Valz discussed the investment strategy with the customer prior to effecting the transactions, but exercised his discretion in effecting the transactions on dates when he had not spoken with the customer.

The suspension was in effect from February 6, 2017, through February 17, 2017. ([FINRA Case #2016049833301](#))

**Jeffrey Benjamin Vargas (CRD #5485101, Coral Gables, Florida)** submitted an AWC in which he was fined \$5,000 and suspended from association with any FINRA member in any capacity for 30 days. Without admitting or denying the findings, Vargas consented to the sanctions and to the entry of findings that he accepted third-party orders, without prior written authorization, in a customer account. The findings stated that an imposter posing as the customer sent an email to the customer's assistant requesting that the assistant arrange for a \$7,500 wire transfer from the customer's firm account to a third-party bank account. Via telephone the same day, the assistant instructed Vargas to effect the wire transfer. The assistant also forwarded Vargas a letter of authorization that the imposter provided, which was purportedly signed by the customer. Later that same day, Vargas requested that the firm effect the wire transfer by inaccurately stating in the firm's system that he had spoken with the client over the phone and verified the client's identity, when he had not done so. The customer's account lacked sufficient funds for the requested wire. After informing the assistant, the assistant instructed Vargas to sell shares of stock held in the customer's account for approximately \$53,717. Vargas did not have the customer's written authorization to accept orders from the assistant. However, Vargas liquidated the customer's stock positions. The firm attempted to effect the wire transfer but the third party rejected it because it had concerns about its legitimacy. The funds were returned to the customer's account.

The imposter sent the assistant another email requesting a \$52,000 wire transfer from the customer's account to an account in the customer's name at a bank in London. Via telephone, the assistant instructed Vargas to effect the wire transfer and forwarded Vargas a letter of authorization that the imposter provided, which was purportedly signed by the customer. Vargas again requested that the firm effect the wire transfer by inaccurately stating in the firm's system that he had spoken with the client over the phone and verified the client's identity, when he had not done so. After the wire transfer was effected, the customer contacted Vargas and informed him that she had not authorized the wire transfer. At the customer's request, the firm reversed the wire transfer.

The suspension was in effect from January 17, 2017, through February 15, 2017. ([FINRA Case #2015048363601](#))

**Henry Al Dean Watson** ([CRD #1326969](#), Easley, South Carolina) submitted an AWC in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Watson consented to the sanction and to the entry of findings that he failed to appear for FINRA-requested testimony in connection with an inquiry into an arbitration claim a customer had filed against him. ([FINRA Case #2015047961601](#))

**David Jeremy Welty** ([CRD #6020910](#), Royersford, Pennsylvania) submitted an AWC in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Welty consented to the sanction and to the entry of findings that he converted approximately \$8,700 from an account at an affiliated bank of his member firm, where he was also employed. The findings stated that Welty opened an account for a memorial fund at the bank. The account was funded with donations in the amount of approximately \$8,700. Welty transferred these funds to his personal account at the bank and used them for personal expenses. ([FINRA Case #2016052638401](#))

**Keilen Dimone Wiley** ([CRD #4259612](#), Houston, Texas) was barred from association with any FINRA member in any capacity. Wiley's petition for review was denied by the U.S. Court of Appeals for the Fifth Circuit following appeal of an SEC decision. The sanction was based on findings that Wiley converted \$6,532.70 in insurance premium payments from customers by depositing the payments into his own bank account and using the funds for personal and business expenses. The findings stated that Wiley provided FINRA with false and misleading testimony during his on-the-record interview regarding whether he used customer funds for his personal use. ([FINRA Case #2011028061001](#))

**Kenneth Peter Wlosek** ([CRD #1271626](#), Mahwah, New Jersey) submitted an AWC in which he was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in any capacity for nine months. Without admitting or denying the findings, Wlosek consented to the sanctions and to the entry of findings that he willfully failed to disclose on his Form U4 federal tax liens, a state tax lien and a civil judgment that had been filed against him. The findings stated that Wlosek falsely represented to his member firm in a compliance questionnaire that he had reviewed his Form U4, and that there was no need to amend his previous responses, including his answer to the question stating that he did not have any unsatisfied judgements and liens.

The suspension is in effect from February 6, 2017, through November 5, 2017. ([FINRA Case #2016050392601](#))

**Wesley Price Wood** ([CRD #4703879](#), Hendersonville, Tennessee) submitted an AWC in which he was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in any capacity for two months. Without admitting or denying the findings, Wood consented to the sanctions and to the entry of findings that he reimbursed a customer's fees by providing the customer a total of \$9,289.54 after she complained about the surrender fees and early redemption penalties incurred in liquidating certain securities in her account, and failed to inform his member firm of the customer's complaint or the

reimbursement. The findings stated that Wood exchanged firm-related email with the same customer using a personal email address that was not disclosed to or approved by his firm. The communications with the customer was in violation of the firm's WSPs. The firm did not retain or preserve the emails Wood sent; therefore, Wood caused the firm to fail to comply with its recordkeeping obligations.

The suspension is in effect from February 6, 2017, through April 5, 2017. ([FINRA Case #2016049459501](#))

## Individual Fined

**Michael Anthony Jackson** ([CRD #4028584](#), Chicago, Illinois) submitted an AWC in which he was fined \$5,000. Without admitting or denying the findings, Jackson consented to the sanction and to the entry of findings that as his member firm's FINOP, he caused the firm to maintain inaccurate books and records. The findings stated that Jackson failed to record certain expenses, including fees owed to vendors, and as a result, the firm's books and records overstated its net capital. Jackson also failed to timely and accurately record certain expenses on the firm's general ledger and failed to timely record certain reimbursement payments for employee expenses. ([FINRA Case #2015043608601](#))

## Decisions Issued

The Office of Hearing Officers (OHO) issued the following decision, which has been appealed to or called for review by the NAC as of January 31, 2017. The NAC may increase, decrease, modify or reverse the findings and sanctions imposed in the decision. Initial decisions where the time for appeal has not yet expired will be reported in future issues of *FINRA Disciplinary and Other Actions*.

**Kenneth Joseph Mathieson** ([CRD #1730324](#), Franklin Lakes, New Jersey) was fined \$50,000 and suspended from association with any FINRA member in any capacity for one year. The sanctions were based on findings that Mathieson participated in private securities transactions and engaged in outside business activities without prior written notice to, and permission from, his member firm. The findings stated that Mathieson participated in several private securities transactions by making additional investments of more than \$96,000 in a company's stock for himself and his children. After Mathieson disclosed his initial investment, he failed to provide prior written notice of the additional investments, despite agreeing to do so at the time of his initial investment. Mathieson also participated in private placements of the company's securities, as well as its reverse-merger transaction.

The findings also stated that Mathieson failed to provide his firm written notice of his outside business activities with the company before commencing them. Mathieson sought approval only after working with the company as a strategic advisor for several months.

After his request for permission to join the company's board was denied, Mathieson disregarded the firm's directive to discontinue all company-related activities, and continued working with the company for more than a year.

This matter has been appealed to the NAC, and the sanctions are not in effect pending review. ([FINRA Case #2014040876001](#))

**Matthew David Rubin (CRD #4869755, Wayne, New Jersey)** was barred from association with any FINRA member in any capacity. The sanction was based on findings that Rubin initiated unfunded Automated Clearinghouse (ACH) requests for electronic fund transfers from his personal bank account to his brokerage account with his member firm, totaling approximately \$18 million, to create the false impression that his brokerage account and his securities trading activities were funded by significantly greater amounts. The findings stated that Rubin was able to use the ACH requests to make it appear as if he had deposited cash into his brokerage account at his firm because he learned that the firm credited the amounts of the requests to his brokerage account for periods—often more than a week—before his lack of funds ultimately caused the transfers to fail. These extensions of credit artificially inflated the value of Rubin's brokerage account, enabling him to meet margin calls, avoid the issuance of margin calls, and satisfy his obligations to fund his securities transactions. Rubin mismarked certain short sales in his brokerage account as "sales not long," which indicated to the firm that he held those securities outside of his firm's brokerage account and would deliver the securities to cover the sales. Because Rubin mismarked the sales as "sales not long," the firm's systems did not include those transactions when calculating his margin limits, which would have occurred if he had correctly entered the transactions as short sales. Rubin's misconduct went undetected because he misled and lied to his supervisors and other staff at his firm. Rubin voluntarily resigned from the firm shortly after it began a formal investigation into his trading activity. The findings also stated that Rubin used the unfunded ACH requests to artificially enhance his buying power, in the form of his margin equity, which enabled him to effect securities transactions without triggering margin calls; as a result, Rubin willfully violated Section 7(f) of the Securities Exchange Act of 1934 and Regulation X promulgated thereunder.

This matter has been appealed to the NAC and the sanction is not in effect pending review. ([FINRA Case #2012033832501](#))

## Complaints Filed

FINRA issued the following complaints. Issuance of a disciplinary complaint represents FINRA's initiation of a formal proceeding in which findings as to the allegations in the complaint have not been made, and does not represent a decision as to any of the allegations contained in the complaint. Because these complaints are unadjudicated, you may wish to contact the respondents before drawing any conclusions regarding the allegations in the complaint.

**Kelly Clayton Althar** ([CRD #2666723](#), San Pablo, California) was named a respondent in a FINRA complaint alleging that he made unsuitable recommendations and engaged in excessive trading in an elderly customer's accounts. The complaint alleges that Althar engaged in high-volume trading to generate commissions and over-concentrated the customer's accounts in risky securities, despite the fact that the customer was close to retirement and wanted only low-risk investments. Althar's trading decimated the customer's accounts, which constituted the bulk of her net worth and retirement savings. Althar exercised control over the customer's account at his member firm. Althar rarely consulted the customer about the transactions in her accounts and made the investment decisions for her, including what to buy and sell, the quantities, and when each transaction would occur. Althar used this control to excessively trade the accounts in a manner that was inconsistent with the customer's investment objectives, financial situations and needs. ([FINRA Case #2014041137501](#))

**Christopher Michael Clark** ([CRD #5938185](#), West Islip, New York) and **Francis Louis Smookler Jr.** ([CRD #2712672](#), Upper Brookville, New York) were named respondents in a FINRA complaint alleging that they caused their member firm to maintain inaccurate books and records. The complaint alleges that throughout the time that Smookler was associated with the firm, he was not registered to transact business as a broker-dealer or agent of a broker-dealer in certain states, including Indiana and Nebraska. However, Clark became registered to transact business as a broker-dealer or agent of a broker-dealer in both Indiana and Nebraska. Smookler solicited or placed at least four trades in the accounts of two customers at the firm. Smookler and Clark caused those trades to be incorrectly recorded on the firm's order memoranda, trade confirmations, commission statements and account statements as trades Clark solicited or placed. Clark paid Smookler a portion of the commissions the trades generated. Smookler and Clark were aware that Clark was falsely listed as the broker responsible for the foregoing trades on the order memoranda, trade confirmations, commission statements and account statements for the customers. Smookler and Clark intended for the firm's books and records to contain these false representations, so as to conceal Smookler's circumvention of state securities registration requirements. ([FINRA Case #2016048490901](#))

**John Joseph Gorman IV** ([CRD #1070636](#), Austin, Texas) was named a respondent in a FINRA complaint alleging that he willfully failed to timely amend his Form U4 to disclose federal tax liens. The complaint alleges that Gorman also failed to timely respond to FINRA requests for information and documents pertaining to an investigation concerning his alleged use of business funds to pay personal expenses, and whether he maintained securities account away from his member firm without its approval. ([FINRA Case #2014040771903](#))

**Bernardo Misseri** ([CRD #2713297](#), Staten Island, New York) was named a respondent in a FINRA complaint alleging that he willfully failed to timely disclose unsatisfied federal tax liens, unsatisfied state tax warrants and a compromise with a creditor, which totaled over \$335,000, on his Form U4. ([FINRA Case #2015046005901](#))

**Vladimir Tingue** ([CRD #6332903](#), Brooklyn, New York) was named a respondent in a FINRA complaint alleging that he converted money from a customer by issuing and using an unauthorized ATM card for the customer's bank account without the customer's knowledge or permission. The complaint alleges that Tingue used the ATM card or caused the ATM card to be used to withdraw \$122 from the customer's account. The complaint also alleges that FINRA issued written requests to Tingue requiring him to provide, among other items, information and documents related to his issuance of the ATM card for the customer's account, and requiring him to appear and provide testimony. Tingue provided a limited quantity of documents and information in response to certain of FINRA requests not related to his issuance and use of the ATM card. To date, Tingue has not provided any documents or information in response to FINRA's requests concerning his issuance and use of the ATM card. In addition, Tingue failed to appear and provide FINRA with testimony. ([FINRA Case #2015045951302](#))

**Todd Brinson Wyche** ([CRD #2186536](#), Corvallis, Montana) was named a respondent in a FINRA complaint alleging that he willfully failed to timely disclose an unsatisfied federal tax lien in the amount of \$230,265.19 on his Form U4. ([FINRA Case #2015046759201](#))

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**Complaint Dismissed**

FINRA issued the following complaint, which represented FINRA's initiation of a formal proceeding. The findings as to the allegations were not made, and the Office of Hearing Officers has subsequently ordered that the complaint be dismissed.

**Vincent Au (CRD #2005219)**  
New York, New York  
(January 30, 2017)  
FINRA Case #2013036653301

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**Firms Expelled for Failure to Pay Fines and/or Costs Pursuant to FINRA Rule 8320**

**Caldwell International Securities Corporation (CRD #104323)**  
Nassau, Bahamas  
(January 4, 2017)  
FINRA Case #2014039091903

**Merriman Capital, Inc. (CRD #18296)**  
New York, New York  
(January 4, 2017)  
FINRA Case #2011029223601

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**Firms Cancelled for Failure to Pay Outstanding Fees Pursuant to FINRA Rule 9553**

**1st BridgeHouse Securities, LLC (CRD #44655)**  
Miami, Florida  
(January 19, 2017)

**Legend Securities, Inc. (CRD #44952)**  
New York, New York  
(January 19, 2017)

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**Firms Suspended for Failure to Supply Financial Information Pursuant to FINRA Rule 9552**

(The date the suspension began is listed after the entry. If the suspension has been lifted, the date follows the suspension date.)

**Coventry Capital, Inc. (CRD #14890)**  
Saint Louis, Missouri  
(January 9, 2017 – February 7, 2017)

**MIP Global, Inc. (CRD #164640)**  
San Juan, Puerto Rico  
(January 6, 2017 – February 17, 2017)

**Sun's Brothers Securities Inc. (CRD #123531)**  
Honolulu, Hawaii  
(January 9, 2017)

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**Individuals Revoked for Failure to Pay Fines and/or Costs Pursuant to FINRA Rule 8320**

(If the revocation has been rescinded, the date follows the revocation date.)

**Abed William Lulu (CRD #2625609)**  
Farmingdale, New York  
(January 25, 2017)  
FINRA Case #2014040347901

**Russell Leo Sadler (CRD #2600742)**  
Manomet, Massachusetts  
(January 4, 2017)  
FINRA Case #2014039725301

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**Individuals Barred for Failure to Provide Information or Keep Information Current Pursuant to FINRA Rule 9552(h)**

(If the bar has been vacated, the date follows the bar date.)

**Dennis Dewain Hern (CRD #5272816)**  
Kapolei, Hawaii  
(January 17, 2017)  
FINRA Case #2016050283202

**Bao Tran Dinh Hoang (CRD #6015572)**  
San Jose, California  
(January 20, 2017)  
FINRA Case #2016049825101

**Christopher Wayne Hunt II (CRD #6625350)**  
Jacksonville, Florida  
(January 17, 2017)  
FINRA Case #2016049804302

**Laurence H. King (CRD #3029609)**  
New City, New York  
(January 6, 2017)  
FINRA Case #2015047776201

**Reginald Lewis McCarthy (CRD #1089052)**  
Orlando, Florida  
(January 30, 2017)  
FINRA Case #2016049521901

**Caleb Layton Morris (CRD #5440363)**  
Tulsa, Oklahoma  
(January 17, 2017)  
FINRA Case #2016050251802

**Brian Patrick Murphy (CRD #2953503)**  
Hainesport, New Jersey  
(January 30, 2017)  
FINRA Case #2016050677201

**Peter Michael Riley (CRD #4423147)**  
Dallas, Texas  
(January 9, 2017)  
FINRA Case #2016051087301

**Robert Shaffer (CRD #4673612)**  
Jackson, New Jersey  
(January 9, 2017)  
FINRA Case #2015047757001

**Joe Don Treece (CRD #2925735)**  
Rogers, Arkansas  
(January 23, 2017)  
FINRA Case #2015048160501

**Robert James Wodicker (CRD #2336465)**  
St. Louis, Missouri  
(January 24, 2017)  
FINRA Case #2015047039301

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**Individuals Suspended for Failure to Provide Information or Keep Information Current Pursuant to FINRA Rule 9552(d)**

(The date the suspension began is listed after the entry. If the suspension has been lifted, the date follows the suspension date.)

**Philip Bagalanon (CRD #3201089)**  
Carol Stream, Illinois  
(January 12, 2017)  
FINRA Case #2016049396201

**Terry Dean Bahgat (CRD #1569518)**  
Williamsville, New York  
(January 13, 2017)  
FINRA Case # 2016051730001

**Patrick Hugh Dowd (CRD #1995736)**  
Ponte Vedra Beach, Florida  
(January 17, 2017)  
FINRA Case #2016050861701

**Joseph Adam Giardina (CRD #4240605)**  
Waccabuc, New York  
(January 20, 2017)  
FINRA Case #2016049254401

**Ryley Grosso (CRD #6319368)**  
Shelby Township, Michigan  
(January 9, 2017)  
FINRA Case #2016051988101

**Larry Anthony Ham (CRD #4932411)**  
Reynoldsburg, Ohio  
(January 13, 2017)  
FINRA Case #2015048137801

**Barry Jin (CRD #5274970)**  
Fresh Meadows, New York  
(January 30, 2017)  
FINRA Case #2016048921101

**Martin Jones (CRD #6213671)**  
Chicago, Illinois  
(January 30, 2017)  
FINRA Case #2015048052901

**Melanie Ann Melton (CRD #4258504)**  
Rockwall, Texas  
(January 13, 2017)  
FINRA Case # 2016050951801

**Lystra C. Moore-Besson (CRD #2861381)**  
Brooklyn, New York  
(January 20, 2017)  
FINRA Case #2016050153501

**Karrie Renee Parrett (CRD #3207689)**  
Tipp, Ohio  
(January 20, 2017)  
FINRA Case #2016050957101

**Douglas A. Rabess (CRD #5676676)**  
Montgomery, New York  
(January 9, 2017 – February 7, 2017)  
FINRA Case #2016050595001

**Joshua James Shelby (CRD #6054198)**  
Katy, Texas  
(January 3, 2017)  
FINRA Case #2016050643101

**Donald Lee Watson Jr. (CRD #1833707)**  
Bradenton, Florida  
(January 3, 2017)  
FINRA Case #2016049321701

**Mark Nicholas Wesley (CRD #2511569)**  
Cleveland, Ohio  
(January 3, 2017)  
FINRA Case #2016049911801

**Steven Warren Whelan (CRD #6110939)**  
New York, New York  
(January 12, 2017 – January 26, 2017)  
FINRA Case #2016050127002

**Terrance Jerome Wilkerson  
(CRD #4002576)**  
Desoto, Texas  
(January 13, 2017)  
FINRA Case #2016050935101

**Gregory Allen Zale (CRD #2579218)**  
Gilbert, Arizona  
(January 9, 2017)  
FINRA Case #2016050228801

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**Individuals Suspended for Failure to Comply with an Arbitration Award or Settlement Agreement Pursuant to FINRA Rule 9554**

(The date the suspension began is listed after the entry. If the suspension has been lifted, the date follows the suspension date.)

**Anastasios P. Belesis (CRD #2707354)**  
New York, New York  
(January 25, 2017)  
FINRA Arbitration Case #13-01629

**Michael David Charest (CRD #4935300)**  
Claremont, New Hampshire  
(January 31, 2017)  
FINRA Case #20170528962/ARB170002

**William Thomas Eaton (CRD #3058469)**  
Wellington, Florida  
(January 6, 2017)  
FINRA Case #2016051462801/ARB160046

**Jason Francis Edwards (CRD #5440148)**  
New Haven, Indiana  
(January 12, 2017)  
FINRA Arbitration Case #16-00702

**Wayne Fitzgerald Ford (CRD #2763527)**  
Wading River, New York  
(January 25, 2017)  
FINRA Arbitration Case #14-02534

**Robert M. Hirsch (CRD #4657713)**  
Hallandale Beach, Florida  
(January 24, 2017)  
FINRA Arbitration Case #16-01224

**Arthur Kenneth King IV (CRD #4023417)**  
Birmingham, Alabama  
(January 25, 2017)  
FINRA Arbitration Case #16-00244

**Nicholas McCauley Messoro (CRD #3184289)**  
Bethesda, Maryland  
(April 11, 2016 – January 6, 2017)  
FINRA Arbitration Case #14-02588

**Andrew Joseph Niehus (CRD #4406399)**  
Fairfield, Ohio  
(January 12, 2017)  
FINRA Arbitration Case #16-00049

**William A. Van Ormer III (CRD #3058707)**  
Jacksonville, Florida  
(January 12, 2017)  
FINRA Arbitration Case #15-01423

**Darin Richard Pastor (CRD #3224977)**  
Irvine, California  
(September 4, 2015 – January 30, 2017)  
FINRA Arbitration Case #14-02000

